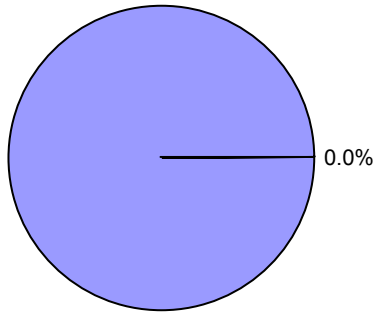


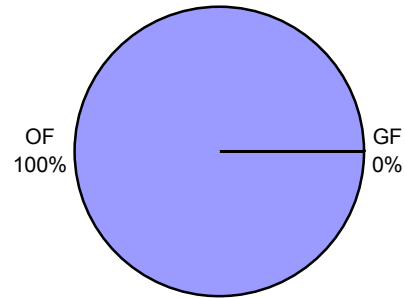
FY2006 Budget Briefing

State Investment Council

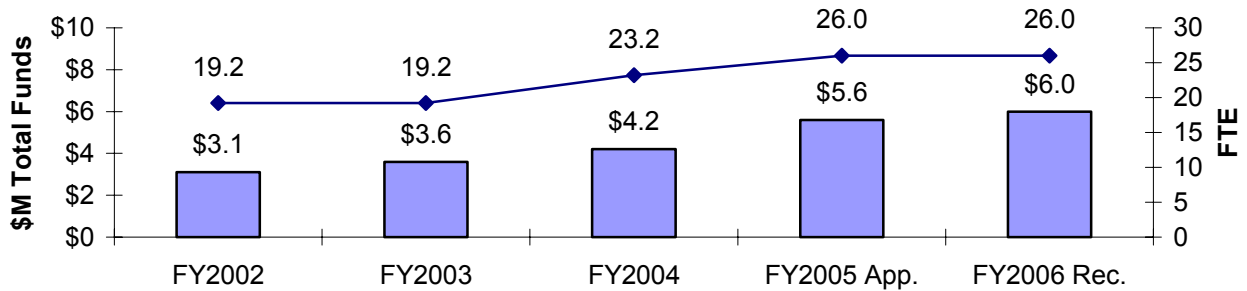
**Agency's Share of Total
Budgeted State General Fund FY2006**



Agency's Funding Source Split FY 2006



Budget History



Key Responsibilities

The State Investment Council manages the investments for the South Dakota Retirement System, the South Dakota Cement Plant Retirement Fund, the cash flow fund, the School and Public Lands Fund, the Dakota Cement Trust, the Health Care Trust Fund, and the Education Enhancement Trust Fund. The council also oversees the Higher Education Savings Plan.

Investment Council

The State Investment Council, authorized by SDCL 4-5-12 to 4-5-39, inclusive, is composed of eight members, five of whom are appointed by the Executive Board of the Legislative Research Council. The remaining three members are the State Treasurer, the Commissioner of School and Public Lands, and a representative of the state retirement system. The council appoints the state investment officer and formulates investment policy pertaining to the kinds and the methods of investment.

The agency is funded primarily from the interest and investment earnings derived from the managed funds. For FY 2006, the agency requests \$5,974,869 from other funds and 26.0 FTE. This is an increase of \$353,470 (6.3%) from FY 2005. The Governor concurs.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	2,990,679	4,238,297	4,548,293	4,548,293	309,996	7.3%
Travel	46,539	60,000	60,000	60,000	-	0.0%
Contractual Services	1,088,937	1,261,954	1,315,203	1,315,203	53,249	4.2%
Supplies and Materials	11,475	14,148	14,148	14,148	-	0.0%
Capital Outlay	49,813	47,000	37,225	37,225	(9,775)	-20.8%
TOTAL	4,187,443	5,621,399	5,974,869	5,974,869	353,470	6.3%
Funding Sources:						
Other Funds	4,187,443	5,621,399	5,974,869	5,974,869	353,470	6.3%
FTE	23.2	26.0	26.0	26.0	-	0.0%

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Salary	-	309,996	0.0	-	309,996	0.0

- A. Salary: The agency requests \$4,548,293 from other funds for personal services. This is an increase of \$309,996 (7.3%) from FY 2005. The requested amount includes \$2,338,762 for base salaries, \$1,524,870 for bonuses, and \$684,661 for benefits. The FY 2006 base for the 26.0 FTE would increase anywhere from 3% to 16.9%, depending upon the position. According to the agency, the state investment officer uses individual discretion for compensation increases, based upon assessments of the competitive nature of the position within the investment industry, as well as individual performance and job responsibilities. **The Governor concurs.**

Other Departmental Issues

A. Interim Appropriation Actions

	Approved FY2005 Budget	Interim Action	Revised FY 2005 Budget
Funding Sources:			
General Funds	\$ -	\$ -	\$ -
Federal Funds	\$ -	\$ -	\$ -
Other Funds	\$ 5,621,399	\$ -	\$ 5,621,399
Total	<u>\$ 5,621,399</u>	<u>\$ -</u>	<u>\$ 5,621,399</u>
F.T.E.	26.0	-	26.0

There have been no interim adjustments.